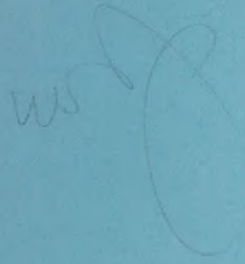


OFFICIAL STATEMENT

San Bernardino County, Service Area No. 70
Improvement Area No. D-1
(Lake Arrowhead Woods)

WS 
\$7,000,000 1975 Bonds
(General Obligations)

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

APR 18 1975

UNIVERSITY OF CALIFORNIA

[Stone + Youngberg, municipal
financing consultants]
Public debts Co. San Bernardino
Investments Public securities

Bids to be received by the Clerk of the Board of Supervisors of San Bernardino County on Monday,
April 21, 1975 at 11:00 a.m. at the Office of the Clerk of the Board of Supervisors, Second Floor,
175 West Fifth Street, San Bernardino, California.

Local gov't San Bernardino

76 00567

INSTITUTE OF GOVERNMENT
STUDIES LIBRARY

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UNIVERSITY OF CALIFORNIA

OFFICIAL NOTICE OF SALE

\$7,000,000 SAN BERNARDINO COUNTY SERVICE AREA NO. 70 IMPROVEMENT AREA NO. D-1 1975 BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by the Clerk of the Board of Supervisors of San Bernardino County, State of California, at her office on the Second Floor, 175 West Fifth Street, San Bernardino, California 92415, on

MONDAY, APRIL 21, 1975

at the hour of 11:00 o'clock A.M. for the purchase of \$7,000,000 principal amount of bonds designated "San Bernardino County Service Area No. 70 Improvement Area No. D-1 1975 Bonds" (hereinafter called the "bonds"), more particularly described below. The bonds are the entire principal amount of an issue authorized at an election held in Improvement Area No. D-1 of San Bernardino County Service Area No. 70 on November 5, 1974.

ISSUE AND DENOMINATION: \$7,000,000 principal amount of coupon bonds, numbered consecutively from 1 to 1400, each of the denomination of \$5,000.

DATE: The bonds are dated May 1, 1975.

MATURITIES: The bonds mature serially in consecutive numerical order, from lower to higher, on May 1 in each of the years as follows:

Maturity Date (May 1) (All Years Inclusive)	Principal Amount
1976	\$100,000
1977-1979	125,000
1980-1981	150,000
1982-1983	175,000
1984-1985	200,000
1986-1987	225,000
1988	250,000
1989-1990	275,000
1991	300,000
1992	325,000
1993	350,000
1994	375,000
1995	400,000
1996	425,000
1997	450,000
1998	500,000
1999	525,000
2000	575,000

REDEMPTION: Bonds maturing by their terms on or before May 1, 1985 are not subject to redemption prior to their respective stated maturities. Bonds maturing by their terms on or after May 1, 1986 are subject to redemption prior to their respective stated maturities, at the option of the County of San Bernardino, on any interest payment date on or after May 1, 1985, as a whole, or in part in inverse order of maturities (and by lot within maturities), upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, together with a premium equal to the sum of (a) one per cent (1%) of such principal amount plus (b) one-quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each whole year and for any remaining fraction of a year between the date of redemption and the stated maturity date thereof.

INTEREST RATE: Maximum seven per cent (7%) per annum, payable annually the first year on May 1, 1976 and semiannually thereafter on May 1 and November 1 of each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders may

specify any number of separate interest rates irrespective of the maturities of the bonds, and the same rate or rates may be repeated as often as desired; provided, however, that (i) the difference between the highest and lowest coupon rates specified in any bid shall not exceed two per cent (2%); (ii) each interest rate specified must be in a multiple of $\frac{1}{20}$ of one per cent and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds of the same maturity shall bear the same rate of interest; (vi) **for the term of maturities commencing on May 1, 1986 and terminating on May 1, 2000, the interest rate specified for the bonds in any one maturity year in such term shall not be less than the interest rate specified for the bonds in any prior maturity year in such term;** and (vii) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which provides for the cancellation and surrender of any interest coupon or for the waiver of interest or other concession by the bidder as a substitute for bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the office of the County Treasurer of San Bernardino County, in San Bernardino, California.

EXECUTION AND REGISTRATION: Coupon bonds will be issued by the Board of Supervisors of San Bernardino County. The bonds will be executed by the manual signature of at least one official authorized to execute the bonds. The bonds are registrable only as to both principal and interest, and are subject to de-registration and to re-registration.

PURPOSE OF ISSUE: The bonds are authorized by vote of more than two-thirds of the qualified voters resident within Improvement Area No. D-1 of San Bernardino County Service Area No. 70 voting at a special bond election for the purpose of authorizing bonds for the acquisition and construction of flood or inundation protection works and facilities in the vicinity of Lake Arrowhead for the benefit of Improvement Area No. D-1 of San Bernardino County Service Area No. 70.

SECURITY: The bonds are not general obligations of San Bernardino County, but are payable solely from revenues derived from taxes levied and collected upon the taxable property within Improvement Area No. D-1 of San Bernardino County Service Area No. 70, and upon that property only. The Board of Supervisors of San Bernardino County has power and is obligated to levy ad valorem taxes for the payment of the bonds and the interest thereon upon all property

within Improvement Area No. D-1 of San Bernardino County Service Area No. 70 subject to taxation by said County, without limitation of rate or amount.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds (i) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (ii) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the Board of Supervisors of San Bernardino County, be relieved of his obligation under the contract to purchase the bonds and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe of San Francisco, California, approving the validity of the bonds will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the officer in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

TERMS OF SALE

Highest Bid: The bonds will be awarded to the highest bidder, considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the Board of Supervisors of San Bernardino County would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Board of Supervisors of San Bernardino County. The purchaser must pay accrued interest from the date of the bonds to the date of delivery.

Cusip Numbers: It is anticipated that CUSIP numbers will be printed on the bonds but neither the failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the issuer; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

Right of Rejection: The Board of Supervisors of San Bernardino County reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: The Board of Supervisors of San Bernardino County will take action awarding the bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder.

Prompt Delivery: Delivery of the bonds will be made to the successful bidder at the office of the County Treasurer of San Bernardino County, in San Bernardino, California, as soon as the bonds can be prepared, but not prior to their date. Payment for the bonds must be made in bank funds immediately available to the Board of Supervisors of San Bernardino County, in San Bernardino, California.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Board of Supervisors of San Bernardino County shall fail to execute the bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: All bids must be for not less than all of the bonds hereby offered for sale and for not less than the par value thereof and accrued interest to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Clerk of the Board of Supervisors of San Bernardino County and endorsed "Proposal for San Bernardino County Service Area No. 70 Improvement Area No. D-1 1975 Bonds." All bids must be delivered to the Clerk of the Board of Supervisors of San Bernardino County at her office on the Second Floor, 175 West Fifth Street, San Bernardino, California 92415, prior to 11:00 o'clock A.M. on April 21, 1975.

Bid Check: With each bid must be submitted a certified check or cashier's check for \$100,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the County Treasurer of San Bernardino County, to secure the Board of Supervisors of San Bernardino County from any loss resulting from the failure of any bidder to comply with the terms of his bid. Checks of all bidders (except the successful bidder) will be returned by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by the successful bidder.

Estimate of Net Interest Cost: Bidders are requested, but not required, to supply an estimate of the total net interest cost on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Supervisors of San Bernardino County.

Official Statement: The County of San Bernardino has employed Stone & Youngberg Municipal Financing Consultants, Inc., as Financial Consultants to prepare an official statement relating to the bonds, a copy of which will be furnished to any bidder upon request to the office of Stone & Youngberg Municipal Financing Consultants Inc., One California Street, San Francisco, California 94111.

There is no controversy or litigation pending concerning the validity of the above issue, the corporate existence of San Bernardino County Service Area No. 70 or the title of the officers of the County of San Bernardino to their respective offices, and the Board of Supervisors of San Bernardino County will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the bonds.

Dated: April 7, 1975.

LEONA RAPOPORT

*Clerk of the Board of Supervisors of
San Bernardino County*

SAN BERNARDINO COUNTY SERVICE AREA NO. 70

Improvement Area No. D-1

BOARD OF SUPERVISORS, SAN BERNARDINO COUNTY

Dennis Hansberger, *Chairman*

James Mayfield
Daniel D. Mikesell

Nancy E. Smith
Robert O. Townsend

Robert A. Covington, *Administrative Officer*

John H. Bulmer, *County Auditor*
Stanford D. Herlick, *County Counsel*

V. Dennis Wardle, *County Clerk*
John A. Gardner, *County Treasurer*

John Bernard, *Director of Public Works*

County Personnel Connected with the Project

E. Dana Brooks, *Executive Assistant to Supervisor Nancy E. Smith*

Albert R. Reid, *Administrator, Special Districts*

Ashby Jeff Powell, *Special Districts*

William Harwood, *Special Districts*

Eugene L. Holder, *Office of County Counsel*

PROFESSIONAL SERVICES

Sherard & Turner
Consulting Engineers

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*
Bond Counsel

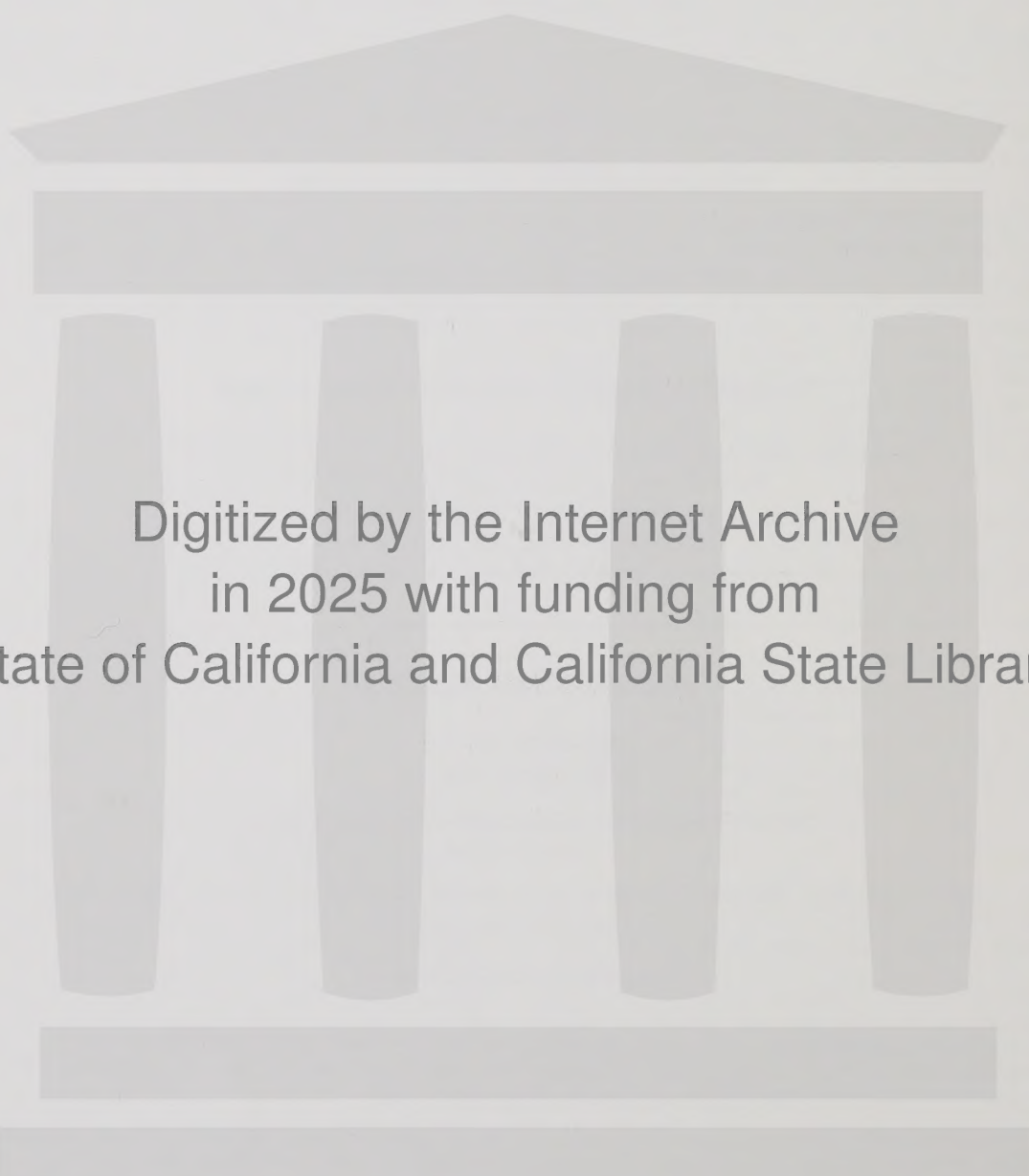
Stone & Youngberg Municipal Financing Consultants, Inc., *Los Angeles and San Francisco*
Financing Consultants

The information contained within this Official Statement was prepared under the direction of the Board of Supervisors of San Bernardino County by Stone & Youngberg Municipal Financing Consultants, Inc. who were employed by the County as Financing Consultants in connection with the Lake Arrowhead Project.

This Official Statement is not to be construed as a contract with the purchasers of the bonds. All summaries of the Official Notice of Sale, Resolution of Issuance, contracts, agreements, or other documents described herein, are made subject to the full provisions of all such documents, and reference is made to the complete text on file with the County for further information in connection therewith.

The information contained within this Official Statement has been compiled from sources believed to be reliable but contains estimates and matters of opinion which are not intended as representations of fact.

THE DATE OF THIS OFFICIAL STATEMENT IS APRIL 7, 1975



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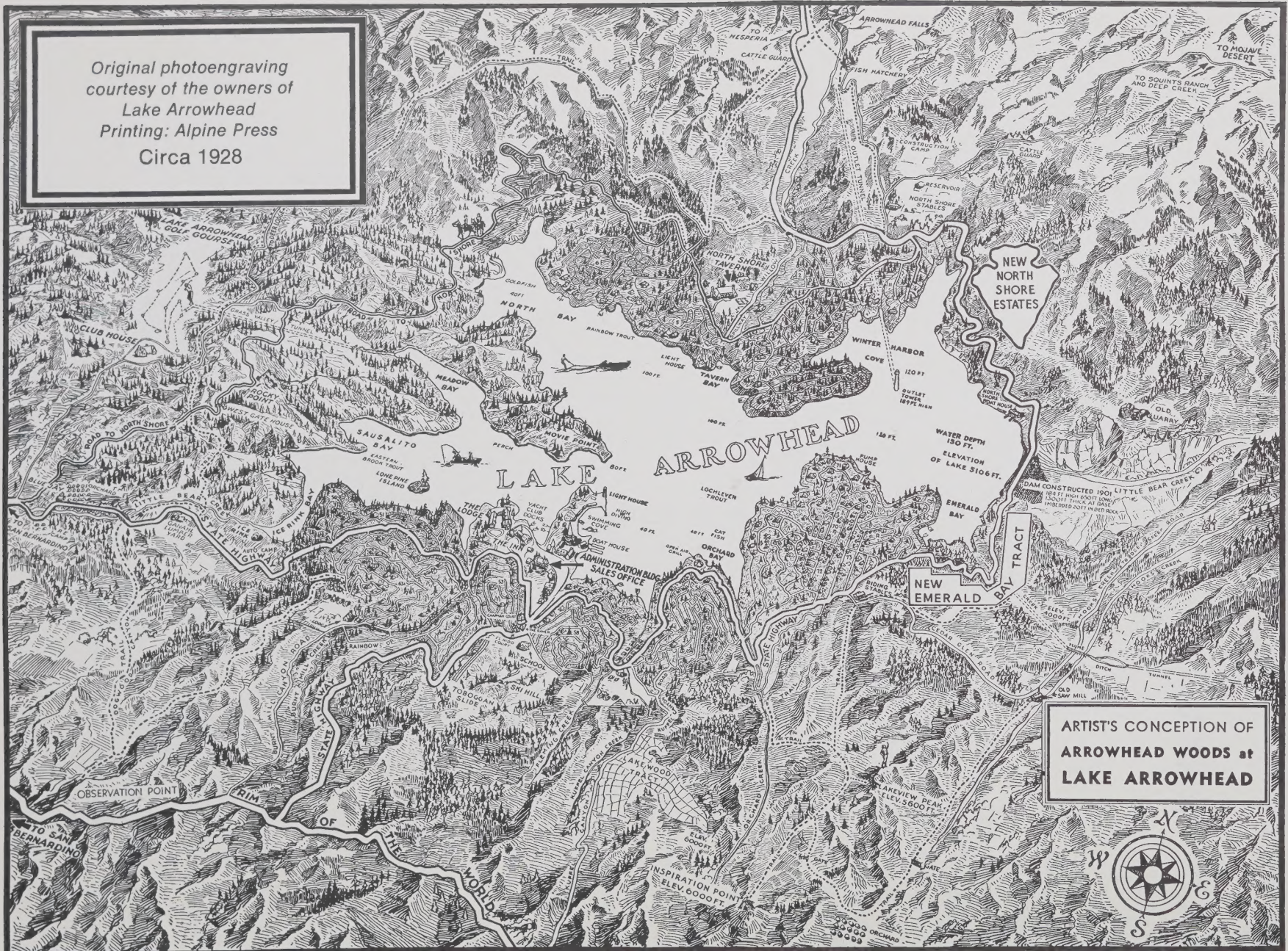
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Original photoengraving
courtesy of the owners of
Lake Arrowhead
Printing: Alpine Press
Circa 1928



ARTIST'S CONCEPTION OF
ARROWHEAD WOODS at
LAKE ARROWHEAD

INTRODUCTION

San Bernardino County Service Area No. 70, Improvement Area No. D-1 (hereinafter referred to as the "Improvement Area") was formed to conform with the boundaries of the area known as Lake Arrowhead Woods. The Improvement Area is governed by the San Bernardino County Board of Supervisors. A Citizens Advisory Commission will be formed to aid the Supervisors in their deliberations.

Located in the San Bernardino Mountains at an elevation of approximately 5,100 feet the Improvement Area is one of the most beautiful spots in the state and certainly one of the most easily accessible. Driving time from the Greater Metropolitan San Bernardino Area, with a population of over 1,200,000, is approximately one-half hour. The City of Los Angeles (approximately 80 miles distant) can be reached in two hours.

The Improvement Area is approximately 5,100 acres in size, including a lake, which with reserve strips, has an area of approximately 900 acres. The lake, which is privately owned and reserved for the use of property owners in Lake Arrowhead Woods, offers a wide variety of water sports including swimming (3 beach clubs), boating, water skiing and fishing. There is a 130-acre, 18-hole golf course with a clubhouse of 15,000 square feet, a swimming pool and other amenities. A great deal of use is also made of the area in winter, with ice skating facilities available locally and good skiing close by.

Although the history of Lake Arrowhead dates back to the late 1800's, recreational development was not started until 1921. From that time to the present Lake Arrowhead Woods has enjoyed a slow but steady rate of growth. Present permanent population is estimated at 4,500. There are an estimated 7,500 subdivided lots in the area, approximately 3,300 of which are developed. New construction has averaged about 175 residential units per year over the last ten years. Home construction in the area and the nature of the commercial and recreational development are keyed to the more affluent in the society. Homes range from a low of \$40,000 to \$50,000 to a high of over \$500,000.

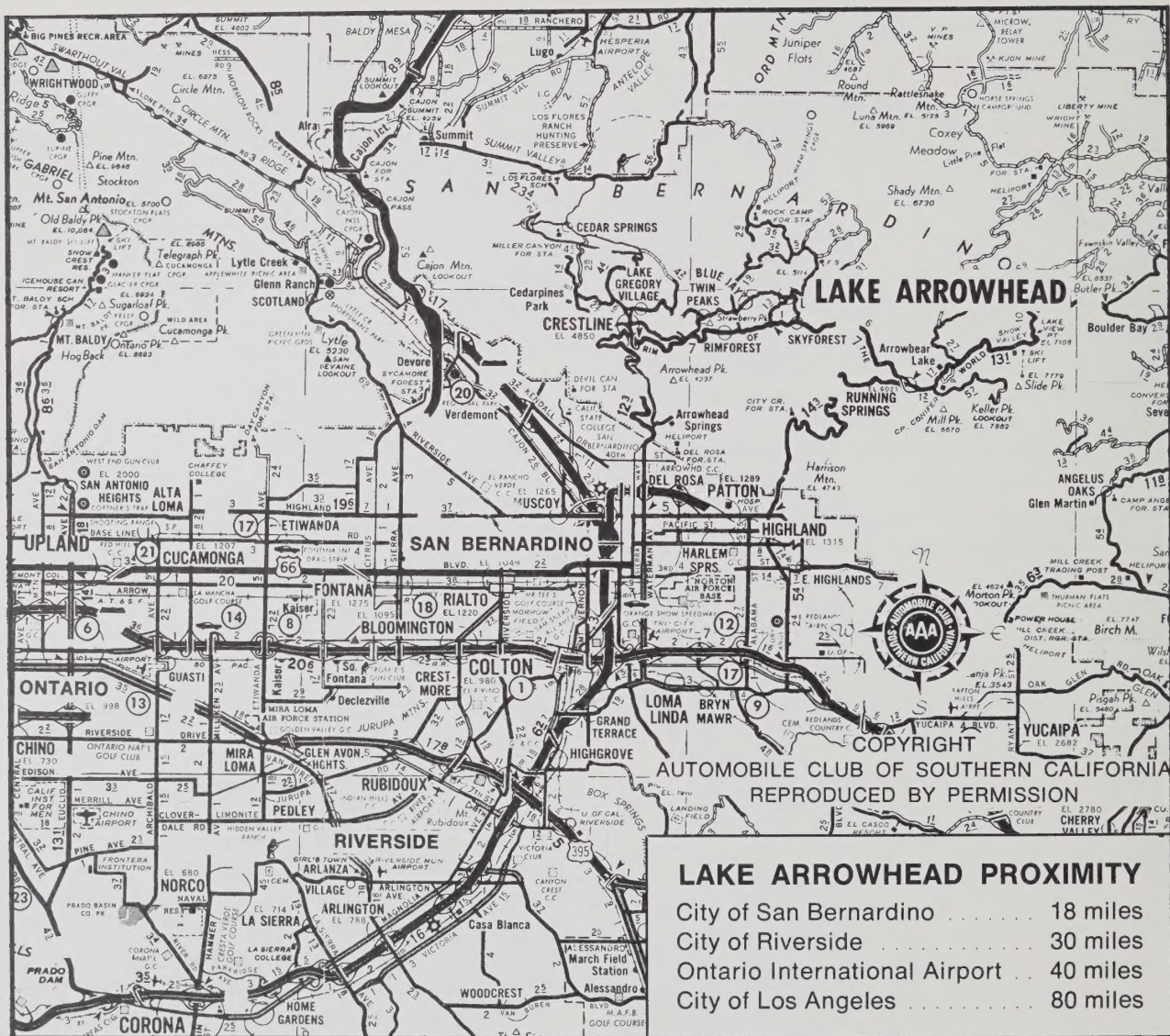
Proceeds from the sale of the bonds will be used to build a new dam 1,200 to 1,500 feet downstream from the present dam in order to meet new state safety standards. A part of the package which was put together around the bond election was the transfer of the principal amenities—the lake and reserve strips, the beach clubs, etc. from private ownership to a non-profit homeowners' association. The enthusiastic acceptance of this proposal can be seen in the result of the election to authorize the bonds which passed by a majority of over 9 to 1.

The bonds are general obligations of the Improvement Area. All taxable property in the Improvement Area is subject to taxation without limit as to rate or amount for the repayment of the bonds. The average life of the bonds is 16.39 years. Bonds maturing on or after May 1, 1986 are callable at a premium on any interest payment date on or after May 1, 1985. In the opinion of bond counsel, Orrick, Herrington, Rowley & Sutcliffe, the interest on the bonds is exempt from federal income tax and personal income tax of the State of California. The bonds are believed to be legal investments in the State of California for all trust funds, insurance companies and commercial banks, etc. As such, they may be used as security for public deposits.

The assessed valuation of the Improvement Area is estimated at \$52,930,870 indicating a market value of \$225,256,000. The ratio of direct and overlapping debt to market value is estimated at 3.429%. The initial tax rate required to amortize the bonds is \$1.12 per \$100 assessed, reducing with the increase in assessed valuation. The present total tax rate applicable to 95% of the assessed value of the Improvement Area is \$10.1634 per \$100 assessed valuation (the assessment ratio is 23.6%). Taxes in the Improvement Area are considered to be moderate when compared with most other residential communities in California.

Utility services in the District include domestic water (private), municipal sewage collection and disposal (public), natural gas, electrical and telephone service (private), and regular refuse collection. Fire protection is provided by a local fire district with 6 stations and 30 full-time employees. Police protection is provided primarily by the San Bernardino Sheriff's Department with a substation located about four miles southwest of the Improvement Area which is manned by a captain, 2 detectives and 16 deputies.

Health needs are met by 3 local doctors and 4 dentists. The 37-bed Mountain Community Hos-



pital District is included in the Improvement Area. The hospital is fully equipped and maintains a 24-hour emergency room. Additional physicians and surgeons from valley communities maintain a regular schedule at the hospital providing specialized services.

Over 100 commercial establishments service the area including branches of Security Pacific National Bank and the Bank of America N.T. & S.A. A wide variety of other services and amenities are available, making the Lake Arrowhead communities self-sufficient and attracting an increasing number of year-round residents and commuters from the nearby San Bernardino Metropolitan Area (18 miles away).

Construction bids on the new dam were received on March 17, 1975. The low bid for the dam was

\$5,800,000. Needed appurtenance, overhead, and an allowance for contingencies will require the remainder of the authorization together with the interest earned on the construction fund. It is the intention of the County to award both the bond bid and the construction bid on April 21, 1975. Completion is scheduled for September, 1976.

The existing dam will be left in place and the area between the two dams filled, creating a small lake which will be open to the public. A tax levy of up to \$0.10 per \$100 assessed valuation has been authorized to finance the maintenance of project facilities. This levy, which will produce more than \$50,000 annually, is considered more than sufficient as very little maintenance is foreseeable on the type of structure planned.

THE BONDS

Authority for Issuance

The \$7,000,000 principal amount of San Bernardino County Service Area No. 70 Improvement Area No. D-1 1975 Bonds (the "Bonds") described in this Official Statement are general obligation bonds issued pursuant to the provisions of a resolution of the Board of Supervisors of San Bernardino County.

The Bonds are the entire amount authorized at a special election held November 5, 1974.

Terms of Sale

Bids for the purchase of the Bonds will be received by the Clerk of the Board of Supervisors of San Bernardino County at 11:00 a.m., April 21, 1975 at the office of the Clerk of the Board of Supervisors, Second Floor, 175 West Fifth Street, San Bernardino, California. Details of the terms of the sale are included in the Official Notice of Sale dated April 7, 1975.

Description of the Bonds

As described in the Official Notice of Sale, the Bonds will be dated May 1, 1975. The Bonds will be in denominations of \$5,000 each, will be payable on May 1 of each year, and will be numbered 1-1400.

Interest is payable for the first twelve months on May 1, 1976 and thereafter on November 1 and May 1 of each year. Both principal and interest are payable at the office of the Treasurer of San Bernardino County.

Redemption Provisions

Bonds maturing on or prior to May 1, 1985 will not be subject to call or redemption prior to maturity. Bonds maturing on or after May 1, 1986 will be subject to call and redemption at the option of the County, as a whole or in part in inverse order of maturities, on May 1, 1985 or on any interest

SCHEDULE OF MATURITIES

Maturity Date May 1	Annual Principal Amount	Maturity Date May 1	Annual Principal Amount
1976	\$100,000	1992	\$325,000
1977-1979 .	125,000	1993	350,000
1980-1981 .	150,000	1994	375,000
1982-1983 .	175,000	1995	400,000
1984-1985 .	200,000	1996	425,000
1986-1987 .	225,000	1997	450,000
1988	250,000	1998	500,000
1989-1990 .	275,000	1999	525,000
1991	300,000	2000	575,000

payment date thereafter, upon payment of the par value thereof plus accrued interest plus a premium of one percent of the principal amount thereof plus an additional premium equal to one-quarter of one percent of the principal amount for each year or fraction of a year remaining from the date of redemption to the maturity date of each bond.

Registration

The Bonds are to be issued as coupon bonds and will be registrable only as to both principal and interest, with the privilege of discharge from registration and re-registration.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, bond counsel for the Improvement Area. The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe, attesting to the validity of the Bonds, will be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

Security

The Bonds are general obligations of the Improvement Area. The Board of Supervisors of San Bernardino County has the authority and is obligated to levy ad valorem taxes for the payment of both the principal of and interest on the Bonds upon all taxable property within the Improvement Area, without limitation as to rate or amount.

Legality for Investment

The Bonds are believed to be legal investments in California for all trust funds and for funds of all insurance companies, commercial banks, trust companies, and state school funds. The Bonds are be-

lieved to be eligible as security for deposits of public monies in California.

Purpose and Disposition of Proceeds

The proceeds from the sale of the Bonds will be used to finance the construction of a second dam at Lake Arrowhead as described in the Introduction of this Official Statement.

Estimated Debt Service

Table 1 presents an estimate of the annual debt service for the Bonds based on an interest rate of 7 percent.

Table 1
SAN BERNARDINO COUNTY
Service Area 70, Zone D-1
Estimated Annual Debt Service

Year Ending May 1	Principal Outstanding	Interest at 7%	Principal Retired	Total
1976	\$7,000,000	\$ 490,000	\$ 100,000	\$ 590,000
1977	6,900,000	483,000	125,000	608,000
1978	6,775,000	474,250	125,000	599,250
1979	6,650,000	465,500	125,000	590,500
1980	6,525,000	456,750	150,000	606,750
1981	6,375,000	446,250	150,000	596,250
1982	6,225,000	435,750	175,000	610,750
1983	6,050,000	423,500	175,000	598,500
1984	5,875,000	411,250	200,000	611,250
1985	5,675,000	397,250	200,000	597,250
1986	5,475,000	383,250	225,000	608,250
1987	5,250,000	367,500	225,000	592,500
1988	5,025,000	351,750	250,000	601,750
1989	4,775,000	334,250	275,000	609,250
1990	4,500,000	315,000	275,000	590,000
1991	4,225,000	295,750	300,000	595,750
1992	3,925,000	274,750	325,000	599,750
1993	3,600,000	252,000	350,000	602,000
1994	3,250,000	227,500	375,000	602,500
1995	2,875,000	201,250	400,000	601,250
1996	2,475,000	173,250	425,000	598,250
1997	2,050,000	143,500	450,000	593,500
1998	1,600,000	112,000	500,000	612,000
1999	1,100,000	77,000	525,000	602,000
2000	575,000	40,250	575,000	615,250
Total		\$8,032,500	\$7,000,000	\$15,032,500

FINANCIAL DATA

Assessed Valuation

The Improvement Area will not appear on the tax rolls until July, 1975. Accordingly, no official data relating to assessed valuation is available. A careful comparison of the assessor tax records with maps of the newly formed Improvement Area produced an estimated assessed valuation believed to be very reliable as shown below:

Estimated Total 1974/75 Assessed Valuation County Service Area 70 Improvement Area D-1

Secured	\$50,641,945
Unsecured	896,850
Utility	1,717,840
Subtotal	\$53,256,635*
Less Non-reimbursable Exemptions ..	325,765
Total	\$52,930,870*

*Includes State reimbursed exemptions of \$871,515.

Growth in assessed valuation can be accurately portrayed by the growth in the Lake Arrowhead Fire District, which has over 90% of its 1974/75 assessed valuation in Arrowhead Woods (the Improvement Area). This growth is shown in the accompanying tabulation:

LAKE ARROWHEAD FIRE DISTRICT

Growth in Assessed Valuation

Fiscal Year Ending June 30,	Assessed Valuation
1971	\$40,822,550
1972	45,288,920
1973	50,030,690
1974	53,031,350
1975	57,822,295

Income and Expenditures

The Improvement Area will levy taxes for the first time in fiscal year 1975/76 and has incurred no liabilities to date. The election authorizing the bonds also authorized a maintenance tax of up to \$0.10 per \$100 assessed valuation. It is anticipated that the full rate will be levied for several years until the area which will be leveled to provide the material for the new dam is replanted. After this time, very little revenue is projected to be required to maintain the facilities.

Tax Rates and Delinquencies

San Bernardino County Tax Code Area 105-17 includes over 95 percent of the Improvement Area and accurately represents the tax rate and delinquency experience in the Improvement Area. A five-year summary of this data is shown in the accompanying tabulation with data on delinquency at the top of the following page.

SAN BERNARDINO COUNTY

TAX CODE AREA 105-17

1974/75 Total Tax Rate

Taxing Entity	Rate per \$100 Assessed Valuation ^①
County	\$ 3.1466
Rim of the World Unified School District	4.3526
County Service Area No. 700007
Fire	1.2921
Flood Control0800
Hospital2000
Soil Conservation0200
Sanitation	1.0714
Total	\$10.1634

① The State Board of Equalization reports that San Bernardino assessed valuations equal 23.6 percent of market value. Public Utility property is assessed by the State at 25% of market value. Equating this to the state average ratio of 24.2 would result in an equivalent tax rate of \$9.91. Further reducing this amount to reflect taxes which are not applicable to personal property would yield an adjusted rate of \$9.58 per \$100 when compared to state averages.

Direct and Overlapping Bonded Debt

The estimated direct and overlapping bonded debt of Improvement Area No. D-1 is shown in Table 2.

SAN BERNARDINO TAX CODE AREA 105-17

Fiscal Year Ending June 30,	Secured Levy	Amount Delinquent June 30	Percent Delinquent
1969	\$2,483,617	\$ 52,522	2.11%
1970	3,004,784	77,751	2.58
1971	3,518,342	110,068	3.12
1972	3,761,165	140,576	3.73
1973	4,196,998	225,487	5.37

Table 2

IMPROVEMENT AREA NO. D-1

Estimated Direct and Overlapping Debt

1974/75 Assessed Valuation (Estimated)	\$ 52,930,870
Estimated Market Value ^①	\$225,256,000
1975 Population (Estimated)	4,500

	Applicable April 21, 1975	
	Percent	Amount
County28%	\$ 23,142
Lake Arrowhead Sanitation District	88.575	279,011
Rim of the World Unified School District	45.327	444,205
Improvement Area D-1	100.000	7,000,000 ^③
Total		\$7,723,216

	Ratio to		Per Capita
	Assessed Value	Market Value	
Assessed Value			\$11,612
Direct Debt	13.395%	3.107%	1,555
Direct and Overlapping Bonded Debt	14.779	3.429	1,716

① Based on assessment ratios earlier discussed.

② Does not include County building authority bonds.

③ Includes \$7,000,000 of bonds to be sold April 21, 1975.

LAKE ARROWHEAD WOODS

San Bernardino County Service Area No. 70 Improvement Area No. D-1

Improvement Area No. D-1 is made up of that area known as Lake Arrowhead Woods, which is by far one of the most luxurious and exclusive recreation areas in Southern California. In terms of property values and recreational opportunities afforded, Arrowhead Woods can only be compared with Lido-Balboa and Palm Springs. Lake Arrowhead has the advantage of year-round use while Lido Balboa is primarily a summer area and Palm Springs a fall to spring attraction.

Property has maintained a stable value of over \$10.00 per square foot (\$435,000 per acre) for lakeshore frontage. Residential lots near the lake, but without direct access, have been selling for approximately \$3.50 per square foot (\$152,000 per acre). Property removed from the lake sells in the neighborhood of \$1 per square foot (\$43,560 per acre).

Contributing to the popularity of the area is its close proximity to Metropolitan Southern California. The Greater Metropolitan San Bernardino area which has a population of over 1,200,000 is located at the eastern base of the San Bernardino mountains at an elevation of approximately 500 feet. From this point a four-lane highway takes the visitor up 4,000 feet, a distance of 10 miles. The 6 mile balance of the trip is over a well-maintained two-lane highway to Lake Arrowhead at an elevation of over 5,100 feet. The total trip takes less than a half hour, which accounts for the fact that many people working in and around San Bernardino make their home in the Lake Arrowhead Area. Freeway access from all Los Angeles and Orange County areas is excellent with an average time in route of about two hours.

Lake Arrowhead is a private lake, the use of which is restricted to residents and property owners and three concessions. The lake is approximately two and

one-fourth miles long by three-fourths of a mile wide, has a shoreline of 14 miles, and a maximum depth of 180 feet. The water is beautifully clear and clean, and most inviting for water sports.

The total area of Arrowhead Woods is approximately 5,100 acres, which includes a 900-acre lake with reserve strips and a 130-acre golf course in a permanently green belt, with 900 acres available for future development. Present land use is approximately as follows:





Subdivided land	2,500 acres
Unsubdivided land	970
Lake and reserve strips	900
Golf course	130
Conference center	40
Shops, roads, miscellaneous	560
	<hr/> 5,100 acres

At present there are approximately 7,500 subdivided lots of which over 3,300 are developed. Residential improvements consistently range from \$55,000 to \$250,000; exceptions are to be found in a few more moderately priced homes in the \$40,000 range. There are some, more luxurious estates, valued at \$500,000 or more.

History of Lake Arrowhead

The development of Lake Arrowhead began in 1891, with the beginning of the acquisition of land and water rights for a reservoir. In 1893, the Arrowhead Reservoir Company was founded (James Gamble of Procter and Gamble, President) and the construction of the dam began. In 1905, ownership was

transferred to a new company whose aim was to take advantage of not only the available water, but also of the hydroelectric potential that it represented.

A Supreme Court decision, since reversed, prohibited the exportation of water and the project was abandoned.

In 1921, the Lake Arrowhead Company was formed and took over the accumulated interests of its predecessors. The purpose of this new company was to take advantage of the recreational possibilities of the area. Since this time recreation has been the guiding principal of development which can be characterized as slow, but steady growth with emphasis on land use and amenities attractive to the more affluent.

Since 1921, ownership has changed six times, with each new owner adding or improving to the development. One of the problems caused by this multiplicity of ownership was a lack of continuity in management, and a great deal of confusion as to verbal promises, stated intentions, etc.

One of the fringe benefits of the present project will be to turn over all of the developer-owned amenities—the lake, the beach clubs, the reserve

strips, etc. to a homeowners' organization with membership open at a nominal fee to all Arrowhead Woods lot owners. It is believed that this change to self-rule will be very beneficial and instill a much greater sense of community. A measure of the owners' responsiveness to this program, which included the passage of the bond issue, was the overwhelming approval at the polls—the ballot measure received an affirmative vote of over 9 to 1.

Population

The permanent population of the Improvement Area is difficult to determine as there are no conforming census tracts. The best estimate available is 4,500. In the last election there were approximately 1,900 registered voters.

Building Activity

New construction in the Improvement Areas has averaged approximately 175 units per year during the period 1964-1974, as shown in the following tabulation:

Year	Residential Permits Issued
1964	141
1965	150
1966	153
1967	165
1968	228
1969	160
1970	202
1971	261
1972	236
1973	137
1974	82

Utilities

Treated water, municipal sewerage service, telephone, electricity, natural gas and regular refuse collection are available in Arrowhead Woods.

In the period from January 1967 to February 1970, gas meter connections in the overall Arrowhead area (includes Twin Peaks, Blue Jay, Lake Arrowhead, Agua Fria, Rim Forest, Skyforest, Cedar Glen, Crest Park, Deer Lodge Park, Arrowhead Villas) increased approximately 48%. From 1970 to 1974 gas meter connections increased to 5,740, or an increase of 51%.

Primary telephone service has increased an average of 10.68% annually in Arrowhead and 9.42% in nearby Crestline. General Telephone Company projects primary phone connections to grow approximately 9% per year from the present 4,745 connections in 1974 to a projected 6,700 connections in 1980. Long-range projections estimate 8,700 primary connections in 1985.

From the first year of operation in 1924, the Water Utility Company consumer connections grew to 1,336 in 1960. Since 1960 service has almost doubled, representing an average annual growth of 150 connections over the past nine years. For the past few years of this period, the growth has been at the rate of 175 per year with over 200 during 1968. There are presently 3,692 connections, representing an average growth of 215 a year for the last three years.

Transportation

Lake Arrowhead is located in the San Bernardino Mountain Range approximately five airline miles north of the city of San Bernardino and 80 road miles from Los Angeles. This area enjoys easy accessibility and minimum travel time from the nearby San Bernardino areas via an all-weather, four lane expressway, Highway 18. Freeway access from the Los Angeles-Orange County metropolitan area is excellent. The basic Southern California freeway plan has placed the confluence of the San Bernardino, Foothill, Riverside and Pomona freeways at San Bernardino where all traffic entering California from the easterly and northerly states is distributed throughout California. These freeways directly serve Lake Arrowhead from every metropolitan point in Southern California. Lake Arrowhead is the most accessible mountain resort area to Southern California and one of the most attractive to be found anywhere.

Air transportation is available at Ontario International Airport less than one hour or 40 non-stop freeway and highway miles from Lake Arrowhead. Ontario International Airport is the secondary airport serving the Los Angeles metropolitan area and there are frequent commuter flights to Los Angeles. The airport handled 1,216,000 passengers during 1974 and is projected to handle six million passengers per year by 1980. This is approximately 10% of the total projected traffic of sixty-eight million passengers per year for Southern California airports. Major cities with direct non-stop service to Ontario

include Denver, Dallas, Chicago, Honolulu, Las Vegas, Los Angeles (20 minutes), Milwaukee, Oakland, Philadelphia, Phoenix, Sacramento, Salt Lake City, San Diego and San Francisco.

All major cities in the United States are served with one stop or change by 2 to 4 daily flights.

Education

Educational services through the secondary grades in the Improvement Area are provided by the Rim of the World Unified School District, which operates four elementary schools, an intermediate school, and a senior high school in the area.

Assessed valuation of Rim of the World Unified School District increased over 71 percent during the past five years, from a level of \$66,361,220 to \$113,978,067. The School District employs 329 persons, including 180 certified educational personnel and 79 part-time employees.

Contrary to the experience of most school districts in California, enrollment in the elementary grades has increased in recent years (6.9 percent in 1974/75). For the Lake Arrowhead Elementary School, school authorities estimate that enrollment will grow from 563 in 1974/75 to 814 in 1979/80. System-wide, an annual average enrollment increase

of 4.5 percent is projected for the 1975-1980 period. For the five years ending in 1974/75, the average annual increase in total enrollment for the School District was 7.4 percent. A tabulation of past and projected student enrollments appears on the accompanying tabulation.

RIM OF THE WORLD UNIFIED SCHOOL DISTRICT Student Enrollment, as of October

School Year	Elementary and Intermediate	High	Total Enrollment
1969	1,218	1,024	2,242
1970	1,546	915	2,461
1971	1,857	804	2,661
1972	1,975	898	2,873
1973	2,042	975	3,017
1974	2,151	1,056	3,207
Projected			
1975	2,252	1,129	3,381
1976	2,346	1,198	3,544
1977	2,443	1,255	3,698
1978	2,583	1,273	3,856
1979	2,709	1,298	4,007

Source: District Superintendent.



The Improvement Area is located in the San Bernardino Community College District. Public education beyond high school is available to Improvement Area residents at the two-year San Bernardino College, located in the City of San Bernardino (18 miles away). Degree institutions in or near the San Bernardino-Riverside area include Loma Linda University, University of Redlands, San Bernardino State University, and the University of California at Riverside.

Recreational and Community Facilities

The Lake Arrowhead area offers a wide variety of both summer and winter recreational opportunities.

The lake is used for swimming, boating—both power and sail, fishing, and water skiing. There are numerous private docks available on the lake as well as a launching facility. Winter storage is available at the North Shore Marina.

There are three beach clubs, the newest of which was completed in 1970 at a cost of over \$150,000, and includes a recreation hall, dance floor, pool tables and a snack bar. All of the beach clubs are provided with well-maintained swimming beaches and dressing facilities. Access is by membership, which is limited to Lake Arrowhead property owners, and is optional.

In the 1920's a 9-hole golf course was built. In the 1960s this was rebuilt to the present 18-hole, 130-acre course, and a 15,000-square-foot country club with dining, swimming, a tennis court and related amenities. Membership to the country club is not restricted to residents. After the initial membership fee, annual membership with golfing privileges is \$450.

For non-property-owning visitors to the area, there are a number of motels and lodges with swimming pools. A "semi-public" beach is run by a concessionaire through whom access to the lake may be had





for a daily use fee. Speed and other types of boats may be rented. For water skiing, fully equipped boats, complete with drivers, are available on a tour-of-the-lake basis or by the hour; the fees are quite reasonable when compared to individual boat ownership and maintenance. An extensive equestrian center is located in the Improvement Area with both boarding facilities and rentals available. The center is located adjacent to San Bernardino National Forest which provides extensive trails.

Lake Arrowhead is also a very popular winter sports area. Ice skating facilities are available within the Improvement Area. Snow Valley, a short distance from Lake Arrowhead, reported an average of over 88 days per year suitable for skiing during the last ten years.

Lake Arrowhead village, a Tyrolean styled complex, provides a variety of some 30 interesting shops and restaurants, as well as a movie theater. A regularly scheduled tour of the lake leaves from the village aboard a cruise boat designed to resemble a sternwheeler.

There are a number of developed areas on or near the lake (without rights of access to the lake) which include Cedar Glen and Blue Jay. These communities offer over 70 additional shopping facilities, restaurants and stores designed more to meet the everyday needs of the residents than those of the village, which has more of a boutique and entertainment character.

There is a branch office of the Bank of America NT & SA in Lake Arrowhead village, and a Branch of Security Pacific National Bank in Blue Jay. A branch of Bank of California located in Crestline, approximately four miles away.

Fire protection is provided by Lake Arrowhead Fire District which has 30 permanent employees, as well as a volunteer contingent. The District maintains three manned and three unmanned stations. Major fire fighting equipment includes five Class A pumpers, three light pumpers, a large tank truck which supplies

the pumpers in areas without sufficient fire hydrants, two patrol vehicles and a snow caterpillar. The Fire Department also maintains ambulance service with two fully equipped ambulances and all paid personnel are trained in emergency first aid.

Mountain Community Hospital District serves the medical needs of the community with a 37 bed hospital, two operating rooms as well as obstetric facilities, a full laboratory and 24 hour emergency facilities. There are three local physicians and four dentists. Two consulting physicians and surgeons, a pathologist and a radiologist spend part of each week at the hospital to provide specialized services. The emergency room is operated by outside physicians from 6 P.M. to 6 A.M. and on Saturday and Sunday. An orthodontist schedules one to two days a week in the community.

Police protection is provided primarily by the San Bernardino Sheriff's Department with a substation located approximately four miles southwest of the Improvement Area. The substation is manned by a captain, two detectives and sixteen deputy sheriffs, together with necessary office personnel. There is also a Highway Patrol substation approximately ten miles away.

Metropolitan newspapers from San Bernardino, Riverside and Los Angeles are circulated daily. There is a free county library within close proximity to the Improvement Area. There is a post office in each of the communities surrounding the lake. A variety of television channels can be received. An AM radio station is within close proximity to the Improvement Area and an FM station has recently been licensed.

The University of California conference center, located on a 40 acre site near the north shore serves as a convention and meeting center offering overnight accommodations, food service and recreation facilities including a swimming pool and tennis courts. The center will accommodate up to 100 guests.

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